Hurdles for IT Industry on Exports to Japan

1332. SHIR K. KALAVENKATA RAO: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) the hurdles faced by Indian LT. Industry in IT exports to Japan; and

(b) the action proposed to remove the hurdles?

THE MINISTER OP PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) and (b) Subsidiaries of Indian Software Companies doing business in Japan are being subjected to 20% withholding tax on the payments made to the parent company in India. These payments are *in* respect of software exported by the parent to the subsidiary in Japan either after its development in India or by developing the software by deputing personnel to Japan. The Japanese authorities have treated such payments as rendering of "technical services" and have invoked the Article on "Fees for Technical Services" of the Double Taxation Avoidance Agreement (DTAA) between India and Japan.

The Government of India is not in agreement with the interpretation of the Japanese authorities in that, in its opinion it is the sale of a product and consequently not liable to income tax. The matter has accordingly been taken up with the Japanese authorities for resolving this issue.

Safeguard against Cyber Malpractices

1333. SHRI KARTAR SINGH DUGGAL: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) how Government would safeguard against the erosion of privacy, cyber smearing and economic malpractices as the cyber legislation has been approved by the Parliament?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): Information Technology Act, 2000 provides for legal recognition for transactions carried out by means of electronic data interchange and other means of electronic data interchange and other means of electronic communication, commonly, referred to as electronic commerce. The provisions in the IT Act focus primarily on the evidentiary value of the electronic communication. Accordingly, the core Acts like Indian Evidence

Act, Indian Penal Act, RBI Act and the Banking Book Evidence Act has been amended through the Information Technology Act, 2000. Section 72 of the Information Technology Act provides for penalty for breach of confidentiality and privacy. The evidentiary aspect of cyber-smearing and economic malpractices will be addressed by Section 43, Section 65, Section 66, Section 67, Section 72, Section 74 and Section 79 of the IT Act.

Accidents in Various Establishments

1334. SHRI NILOTPAL BASU: Will the Minister of LABOUR be pleased to state:

(a) the number of accidents which took place in establishments which come under the purview of the Worker's Compensation Act during 1997-98, 1998-99 and 1999-2000;

(b) the classification of the accidents into fatal and non-fatal categories;

(c) corresponding figure of deaths, permanent disabilities and partial disabilities; and

(d) the number of workers receiving compensation during the corresponding period?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI MUNI LALL): (a) to (d) The provisions of the Workmen's Compensation Act, 1923 are being administered exclusively by the State Government/Union territory Administrations. Under the W.C. Act liability for payment of compensation to the Workman/Dependant vests in the concerned employer. In death and in certain other cases a claim for compensation is heard and decided by the Commissioner for Workmen's Compensation appointed by State Governments. However in some other cases compensation amount can be paid by the employer as a result of an agreement with his workman in accordance with the provisions of the W.C. Act. As such the requisite information about number of fatal-accidents, non-fatal accidents, amount of compensation paid etc. is not centrally maintained. As coverage of the W.C. Act is quite vast it is felt that time and energy involved in collecting the requisite information from State Governments/Union Territory Administration's may not be commensurate with the objective sought to be achieved.